



INVESTMENT
SECURITY
GROUP, INC.

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Form ADV Part IIA-Brochure

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This brochure provides information about the qualifications and business practices of Investment Security Group, Inc. If you have any questions about the contents of this brochure, please contact us at 303-759-9808. This brochure has not been approved or verified by the United States Securities and Exchanges Commission or by any state securities authority. Additional information about Investment Security Group, Inc. (CRD # 136568) is also available on the SEC's website at www.advisorinfo.sec.gov.

Investment Security Group, Inc. is a Registered Investment Advisory Firm; registration does not imply a certain level of skill or training.

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I. Material Changes

Effective January 1, 2017 Investment Security Group, Inc. acquired Guerin Financial Services, Ltd. Please see refer to section II (Advisory Business) of this document and ADV Brochure Supplement Part IIB for changes.

II. Advisory Business

Since 1992, Investment Security Group, Inc (ISG) has provided comprehensive investment management and financial planning services for individuals, corporations, trusts, estates, pensions and profit sharing plans. ISG's principal owners are Michael W. Dibala and David M. Giocomo.

ISG offers advice on the following securities:

-Equity Securities, including:

- Exchange-listed securities,
- Securities traded over the counter,
- Foreign issues.

-Fixed Income, including:

- Corporate debt securities,
- Commercial paper,
- Certificates of deposit,
- Municipal securities.

-Investment company securities, including:

- Variable life insurance,
- Variable annuities,
- Mutual fund shares.

-Interests in partnerships investing in:

- Real estate,
- Oil and gas interests.

-Alternative Investments, including:

- Public non-traded real estate programs,
- Private real estate programs,
- Public non-traded business development companies.

-United States government securities

-Options contracts

-Warrants

In the past ISG has also provided advice on other kinds of partnerships: equipment leasing, cable TV, mortgage programs, etc. ISG will advise on other products which ISG deems appropriate in order to address the individualized needs, goals and objectives of the client, included but not limited to, private placements for certain qualified investors.

Approximately 99% of Investment Security Group (ISG) business is providing investment supervisory services. ISG provides a comprehensive asset management program that typically

consists of "core" holdings of carefully selected "no load" mutual funds, supplemented with individual stock, bond, cash investments and occasionally other alternative investments. Asset positions are altered as client objectives change or as the economic climate dictates. Clients may also impose restrictions on investing in certain securities or types of securities.

Approximately 1% of ISG's business comes from matters not involving securities. This occurs when in select situations; ISG receives commissions from the sale of long-term care or life/disability insurance and annuity type products.

Additional financial planning and investment advice is often included in the annual management fee on matters such as: evaluation of retirement pension options, analysis of insurance needs, preliminary estate planning and charitable giving strategies, retirement income projections, 401(k) investment advice. Occasionally, this type of advice is provided on an hourly basis at \$150.00 per hour.

ISG does not participate in wrap fee programs.

ISG Assets Under-Management as of **January 18, 2017**

	U.S. Dollar Amount	Total Number of Accounts
Discretionary:	\$586,928,788	2234
Non-Discretionary:	\$20,333,106	90
Total:	\$607,261,894	2324

III. Fees and Compensation

The billing schedule operates on a calendar year basis, based upon the following rate schedule of annual fees. The initial billing will include a prorata fee for the balance of the current quarterly period, based on the value of the managed assets as determined on the initial setup day. Thereafter, fees are paid in advance of each quarterly period and are based on the value of managed assets as determined on the last day prior to the first day of each calendar quarter and adjusted for any additions or withdrawals from managed accounts that occurred during the quarter.

ISG typically receives fees directly from the client's account. Specifically, (1) the advisory client provides a written authorization permitting the advisor's fees to be paid directly from the client's account held by an independent custodian or trustee; (2) the custodian or trustee agrees to send to the client a statement, at least quarterly, which includes all amounts disbursed from the account including the amount of the advisory fees paid directly to the advisor. The custodian does not determine whether the fee is properly calculated and it is the client's responsibility to verify the accuracy of the fee calculation. At their option, clients may elect to pay fees with a personal check upon receiving an invoice.

On occasion ISG may make an exception to the following fee schedule:

Annual Percentage	Managed Assets	
1%	of the first	\$250,000
0.9%	of the next	\$250,000
0.825%	of the next	\$500,000
0.75%	of assets over	\$1,000,000

The client has the Right of Recision to terminate the Investment Advisory Agreement within 5 business days of signing without incurring any penalty. Thereafter, prorata charges apply. The Investment Advisory Agreement may be cancelled at any time for any reason by either party giving written notice to the other. Notice given by the client shall be effective upon actual receipt by ISG at the address specified on the Investment Advisory Agreement or the then current address, but notice given by ISG shall be effective thirty (30) days after receipt by the client. In the event of termination the regular management fee will be refunded, prorata, from the effective date of termination to the date to which service has been prepaid.

Because mutual funds pay advisory fees to their investment advisors and such fees are therefore indirectly charged to all holders of mutual fund shares, clients with mutual funds in their portfolios are effectively paying both ISG and the mutual fund advisor for the management of their assets. Clients who place mutual fund shares under ISG's management are therefore subject to both ISG's direct management fee and the indirect management fee of the mutual fund's advisor.

Similarly, ISG has invested in public non-traded real estate programs, public non-traded business development companies, and private real estate programs which have their own management fees and operating expenses. Therefore, these investments subject clients to ISG's direct management fee and the indirect fees of the investment. ISG, to date, has not invested in any programs with performance based fees, but could do so in the future.

Typically, the programs referenced in the previous paragraph are valued at investment cost during the funding stages and this value is used in ISG's quarterly asset-based investment advisory fee calculations. After funding is completed, ISG's fee calculations will be based off of valuations provided by the program's sponsor or an independent valuation service which provides these valuations at least annually or sometimes quarterly.

Clients may incur minimal transaction fees directly from Charles Schwab & Co. as indicated in their Charles Schwab & Co. account agreement. ISG annually reviews the relationship between Charles Schwab, ISG and the client in order to determine if the custodial relationship is in the best interest of the client.

Neither ISG nor its employees accepts compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

ISG does hold an insurance license and on occasion receives compensation for the sale of certain insurance and annuity products.

IV. Performance-Based Fees and Side-by-Side Management

Neither ISG nor its employees accepts fees based on performance, that is, fees based on a share of capital gains on or capital appreciation of the assets of a client.

V. Types of Clients

ISG generally provides services to individuals, trusts, estates, charitable organizations, corporations, pensions and profit sharing plans.

ISG requires a \$ 500,000 minimum dollar value in order to initiate asset management services. Occasionally, exceptions have been made to this minimum dollar value.

VI. Methods of Analysis, Investment Strategies and Risk of Loss

ISG uses the following analysis methods to determine appropriate securities for client accounts: 1) Charting 2) Fundamental 3) Technical 4) Cyclical. Whenever possible, ISG speaks directly with mutual fund managers and/or their assistants to obtain the most current information regarding their portfolio composition and investment outlook. ISG maintains various Morningstar, Inc mutual fund databases via the internet and computer disk to optimize efficiency in gathering stock, mutual fund and annuity information and running "screens", comparisons, etc. Additionally, ISG utilizes other magazines, newspapers, newsletters, as well as the resources available on the internet, to supplement the information obtained from the above sources.

ISG's overall investment strategy is a dynamic process involving three basic levels. First, ISG assesses the economy and markets to determine the overall percentage allocation into stocks, bonds, and cash asset classes. Next, within these three basic classes, ISG looks for pricing inefficiencies, and / or early trends to determine what kind of securities should be held, e.g.: larger companies with undervalued assets vs smaller, rapidly growing companies; long term U.S. government bonds vs. intermediate "junk" bonds etc. Finally, once the strategy is in place, ISG tries to identify money managers who have excelled in these various niches, or individual securities are selected. Imposed over this entire strategy are the inherent restrictions of the client's risk / reward profile. Generally, ISG purchases for the longer term (over one year), but occasionally, ISG will engage in shorter term trading activities. However, ISG is not a "market timer".

There is always a risk involved when investing in securities. ISG collects a Risk Tolerance Questionnaire from every client in order to determine the best investment strategy for the client.. If a significant change is required, a change in the investment strategy letter will be sent to make sure the client is aware of the change.

It is ISG's policy to maintain only the minimum cash balance necessary for client's immediate needs. ISG uses several money market funds or cash "like" options in order to ensure that clients are earning interest on cash balances whenever possible.

VII. Disciplinary Information

Investment advisors are required to disclose legal or disciplinary events material to a client's evaluation. Neither ISG nor any supervised person has been involved in any activities related to legal or disciplinary events. In the event that such a legal or disciplinary event occurs, an updated ADV part II brochure will be delivered to clients promptly.

VIII. Other Financial Industry Activities and Affiliations

Neither ISG nor any supervised persons are registered, or have a pending application to register, as a broker-dealer or a registered representative of a broker-dealer.

Neither ISG nor any supervised persons are registered or have a pending application to register as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

Neither ISG nor any supervised persons select other investment advisors for clients to receive direct or indirect compensation.

Neither ISG nor any supervised person is a partner in any partnership recommended by ISG.

ISG has a brokerage agreement with Charles Schwab & Co. that allows ISG to take limited power of attorney to exercise discretion on client accounts at Schwab. Pursuant to the agreement, fees owed to Schwab by clients are paid directly to Schwab.

IX. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

ISG has developed a Code of Ethics based on the principle that ISG owes a fiduciary duty to its clients and employees must avoid activities, interests, and relationships that run contrary to the best interests of the clients. ISG's code of Ethics is available upon request.

ISG is in and shall continue to be in total compliance with the Insider Trading and Securities Fraud Enforcement Act of 1988. Specifically, ISG has adopted a Code of Ethics that includes insider-trading compliance by ISG and its associated persons and other employees. Further, ISG has adopted a written supervisory procedures statement highlighting the steps that shall be taken regarding "non-public" information, serving as directors of outside organizations and rules regarding acceptance of gifts.

ISG or individuals associated with ISG may buy, sell or own securities for their personal accounts, which are identical to those recommended to, or owned by clients. ISG or individuals

of ISG may buy or sell securities for clients at or about the same time employees of ISG buy or sell securities for its or their own accounts. ISG is continually buying and selling securities for its clients throughout the year. If ISG employees buy securities along with ISG it is not a violation of the Code of Ethics. ISG does not believe this practice represents any conflict of interest due to the fact that the minimal buy/sell volume generated by ISG advisor activity will have minimal or no effect on the securities owned by ISG clients. ISG rarely places trades on stocks, specifically low trading volume stocks. In the event that ISG places a large client-wide trade in a stock, any employee trade in the same security would be placed at the same time or after the client trades.

X. Brokerage Practices

ISG uses Charles Schwab & Co, Inc as its broker / dealer. ISG continually monitors other broker / dealers and evaluates the reasonableness of using Charles Schwab & Co, Inc. as its broker / dealer. Some of the factors that are evaluated include compensation, trade execution, service, technology, trade commissions, availability of research, level of customer service and overall reputation.

ISG currently participates in the Charles Schwab & Co., Inc., Institutional Service Program (SISP) and receives some economic benefits from this relationship. Some of the benefits include: receipt of duplicate client confirmations of duplicate statements; access to a trading desk serving SISP participants exclusively; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; ability to have investment advisory fees deducted directly from client accounts; access for a fee to an electronic communication network for client order entry and account information; receipt of compliance publications; and access to mutual funds which generally require significantly higher minimum initial investments or are generally available only to institutional investors. Through the SISP, ISG also receives access to securities and market analysis, computer software, industry seminars and back-office support. Occasionally, fees associated with software renewals and seminars are discounted or waived. These benefits received from Charles Schwab and Co. Inc are used by ISG to service ALL clients. Furthermore, ISG's receipt of any discount is not a factor in determining whether Schwab is selected as the custodian/broker for clients.

ISG has determined that these benefits are standard in the industry among competing custodians and at this time Charles Schwab and Co. is the best custodian to house ISG client assets.

ISG does not cause clients to pay commissions higher than those charged by other broker dealers in order to receive direct benefits to ISG rather than to the client.

For accounts of ISG's clients maintained in custody at Schwab, Schwab will not charge the client separately for custody, but will receive compensation from ISG's clients in the form of transaction related compensation on securities trades executed through Schwab. Schwab will also receive a fee (generally lower than the applicable commission on trades it executes) for clearance and settlement of trades executed through broker-dealers other than Schwab. Schwab's fees for trades executed at other broker-dealers are in addition to the other broker-dealer's fees. Thus ISG may have an incentive to cause trades to be executed through Schwab rather than another broker-dealer. ISG nevertheless, acknowledges its duty to seek best execution of the

trades for client accounts. Trades for client accounts held in custody at Schwab may be executed through a different broker-dealer than trades for ISG's other clients. Thus, trades for accounts custodied at Schwab may be executed at different times and different prices than trades for other accounts that are executed at other broker-dealers.

ISG does not receive client referrals directly from Charles Schwab and Co.

XI. Review of Accounts

Accounts are reviewed by ISG's Investment Advisors, Partners and Financial Planner. This group reviews over 500 client portfolios. All accounts are reviewed and continuously monitored in response to either changes in the client's investment objectives or due to changes in the financial markets / economic climate.

Clients generally receive monthly statements detailing portfolio values and the previous month's transactions from their current custodian (in most cases Charles Schwab & Co.). Each quarter, clients receive an ISG-prepared written report detailing their current positions, asset allocation and year-to-date performance. Commentary on the economy, markets and current investment strategy is sent to clients via a newsletter on a bi-yearly basis.

XII. Client Referrals and Other Compensation

Occasionally, ISG pays a percentage of the asset management fees to third parties who refer business to ISG. Generally, this percentage varies between 20-30%. Fee-sharing arrangements are negotiable, however, and may vary. In all situations, a copy of the written agreement between ISG and the solicitor is retained, and a solicitor's disclosure statement, detailing the compensation arrangement and nature of the relationship to the solicitor, is signed by the solicitor and given to the client. If it is more reasonable, ISG will provide a statement disclosing the relationship and compensation arrangement. A signed and dated acknowledgement of receipt of the disclosure statement by the client is then obtained and retained by ISG. ISG avoids conflict of interest by doing the following: All referred clients are evaluated using the same criteria as other clients (including non-referred clients) therefore ensuring that ISG is a good fit for the client. Additionally, clients that are referred are not subject to a different fee schedule.

ISG no longer participates, but has previously participated, in the Schwab Advisor Network "the service". This is a service designed to help investors find an independent advisor. For those clients previously referred to ISG by this service, ISG pays Schwab a Participation Fee on all referred client accounts that are maintained in custody at Schwab and Non-Schwab Custody Fee on all accounts that are maintained at or transferred to, another custodian. The Participation Fee paid by ISG is a percentage of the fees the client owes to ISG or a percentage of the value of the assets in the clients account, subject to a minimum Participation Fee. ISG pays Schwab the Participation Fee for so long as the referred client's account remains in custody at Schwab. The Participation Fee is billed quarterly and may be increased, decreased or waived by Schwab from time to time. The Participation Fee is paid by ISG and not by the client. ISG has agreed not to charge clients referred through the Service fees or costs greater than the fees or costs ISG charges clients with similar portfolios who were not referred through the service.

ISG generally pays Schwab a Non-Schwab Custody Fee if custody of a referred client's account is not maintained by, or assets in the account are transferred from Schwab. This fee does not apply if the client was solely responsible for the decision not to maintain custody at Schwab. The Non-Schwab Custody Fee is a one-time payment equal to a percentage of the assets placed with a custodian other than Schwab. The Non-Schwab Custody Fee is higher than the Participation Fees ISG generally would pay in a single year. Thus, ISG will have an incentive to recommend that clients previously referred to ISG by the service maintain their accounts at Schwab.

The Participation and Non-Schwab Custody Fees will be based on assets in accounts of ISG's clients who were referred by Schwab and those referred clients' family members living in the same household. Thus, ISG will have incentives to encourage household members of clients referred through the service to maintain custody of their accounts and execute transactions at Schwab and to instruct Schwab to debit fees directly from the accounts.

XIII. Custody

ISG does not have custody of client assets except to the extent that clients may authorize ISG to debit fees directly from their account. In that case, the client must provide written authorization permitting the custodian to debit ISG fees from the client's account. Charles Schwab & Co., Inc. is the custodian generally used by ISG. Clients will receive account statements directly from Charles Schwab & Co on a monthly or quarterly basis depending on account activity. Clients should carefully review those account statements. ISG also provides quarterly performance reports to clients. Clients are urged to compare their Schwab statements with the reports issued by ISG to insure consistency. If any inconsistencies are found, clients should contact ISG immediately.

In some cases, client assets may be held at custodians other than Charles Schwab & Co. In these cases, statements will be delivered directly to clients from the custodian based on government regulations. Clients are urged to compare these statements with the reports issued by ISG to ensure consistency; clients should contact ISG if inconsistencies are found.

XIV. Investment Discretion

ISG buys and sells securities without obtaining specific client consent for those clients who specifically give us discretionary authority via a Power of Attorney Form. Prior to implementation, however, a written report outlining the client's basic investment approach and any portfolio restrictions is typically provided to the client. This report also sets out the specific investments planned for the portfolio along with approximate dollar amounts. In addition, ISG does not have the authority to obtain possession of client funds or the availability to appropriate client funds in any of its managed accounts.

XV. Voting Client Securities

ISG's policy is to generally vote in accordance with respective security management's recommendations and instead evaluate a company or fund based upon ongoing due diligence efforts which include the following: Review of performance and activities, discussions with management or investment representatives, and final assessments, made by ISG's Investment Committee. Should ISG become dissatisfied with the direction in which management is headed with regard to such issues as performance, changes in investment policy/ownership/management or increases in management fees, ISG can elect to eliminate the investment from its managed accounts or oppose specific items in a proxy proposal. Clients may obtain information on how their proxies were voted by making an oral or written request to ISG. A copy of ISG's proxy voting policies and procedures is available upon request.

XVI. Financial Information

ISG does not require or solicit prepayment of more than \$1200 in fees per client, 6 months or more in advance. Additionally, ISG does not have any financial conditions that would impair our ability to meet our contractual commitments to clients.

ISG has not been subject to a bankruptcy petition at any time during the course of its business.

XVII. Requirements for State Registered Advisors

ISG is registered with the Securities and Exchange Commission (SEC) therefore state requirements are not applicable.